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March 13, 2007

VTEX ENERGY, INC.
11811 North Freeway #200
Houston, Texas 77060

Hon. James H. Welsh, Commissioner
Department of Natural Resources
Office of Conservation
P. O. Box 94275 - Capitol Station
Baton Rouge, LA 70804-9275

Re: **APPLICATION FOR PUBLIC HEARING**
Bateman Lake Commingling Facility No. 1 (91159)
Bateman Lake Field
St. Mary Parish, Louisiana

Dear Sir:

Pursuant to the provisions of Title 30 of the Revised Statutes of 1950 and Statewide Order No. 29-D-1, application is made on behalf of VTEX Energy, Inc. (VTEX) for the calling of a public hearing after **ten-day legal notice**, to consider evidence relative to the issuance of an order giving permission to change the allocation procedure of this facility from net metering to well test and to allocate the production from the leases/units listed on Exhibit "C" (attached) by means of monthly well tests.

The method of measurement and allocation of production which VTEX is proposing is explained in Exhibit "A" - Description of Operations and Exhibit "B" - Schematic diagram for the Bateman Lake Commingling Facility No. 1. As indicated the production will be allocated back to each of the properties listed on Exhibit "C" by means of monthly well tests. VTEX requests that a hearing be called so that evidence can be submitted to substantiate its proposal for the utilization of monthly well tests in lieu of gauge tanks for the allocation of said production.

VTEX will provide for the advertisement of the legal notice in a newspaper of general circulation in the vicinity of the Bateman Lake Field and also will post the legal notice in a prominent place in the area of the Bateman Lake Field. VTEX will also mail a copy of said legal notice to the interested parties, including operating and royalty interests.

In support of this request, enclosed are the following:

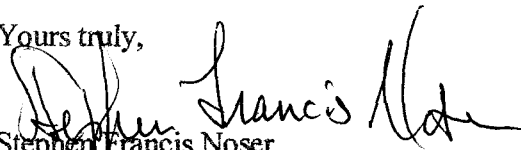
1. A check in the amount of \$755.00 for the application fee due;
2. Exhibit "A" - Description of Operations for the proposed facility;
3. Exhibit "B" - Schematic of the proposed facility;
4. Exhibit "C" - List of properties to be approved for well test
5. Exhibit "D" - Signed statement regarding the accuracy of allocating production based on well tests; and
6. Exhibit "E" - List of Interested Parties

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A copy of this application is being sent to Mr. Richard D. Hudson, District Manager, Lafayette, Louisiana, and to each Interested Owner, Represented Party, and Interested Party after a reasonable effort was made to ascertain the names and addresses of all Interested Owners, Represented Parties and Interested Parties.

All inquiries concerning this proposal should be directed to Mr. Joseph Smith, 416 Oak Lane, Luling, Louisiana, 70070, telephone number (985) 308-0822.

Yours truly,


Stephen Francis Noser
President
VTEX Energy, Inc.

Attachments

cc: Mr. Richard D. Hudson-District Manager
Mr. Charlie Plumb (Louisiana Energy & Environmental)
Interested Owners, Represented Parties, and Interested Parties

EXHIBIT "A"

Description of Operation Commingling Facility No. 1 (91159) Bateman Lake Field

Production from the properties shown on EXHIBIT C will flow through a three phase bulk separator. Low pressure gas production is metered and commingled with other LP gas to be compressed and then sent to sales. Low pressure gas production will be allocated back to each lease/unit based on monthly well tests. Any liquid hydrocarbons recovered from the compressor will be sent to the oil tank and allocated back to the individual lease/unit based on well tests. Oil production will be commingled in the oil stock tank. Water production will be sent to a water storage tank for disposal. All wells are gauged once per month by directing the well through a three phase test separator. Each producing well will have its own flowline connecting it to the header system of the facility. The gas, oil, and water are all metered.

Total oil production for the commingling facility will be determined by strapping the tanks before and after the oil is pumped into barges for sale and allocated back to the individual lease/unit based on well tests conducted at least once a month.

A portable master meter is used to calibrate the liquid meters once per month. The master meter is proved through a prover tank built in accordance with API Code 1101. Each gas meter will be proven quarterly.

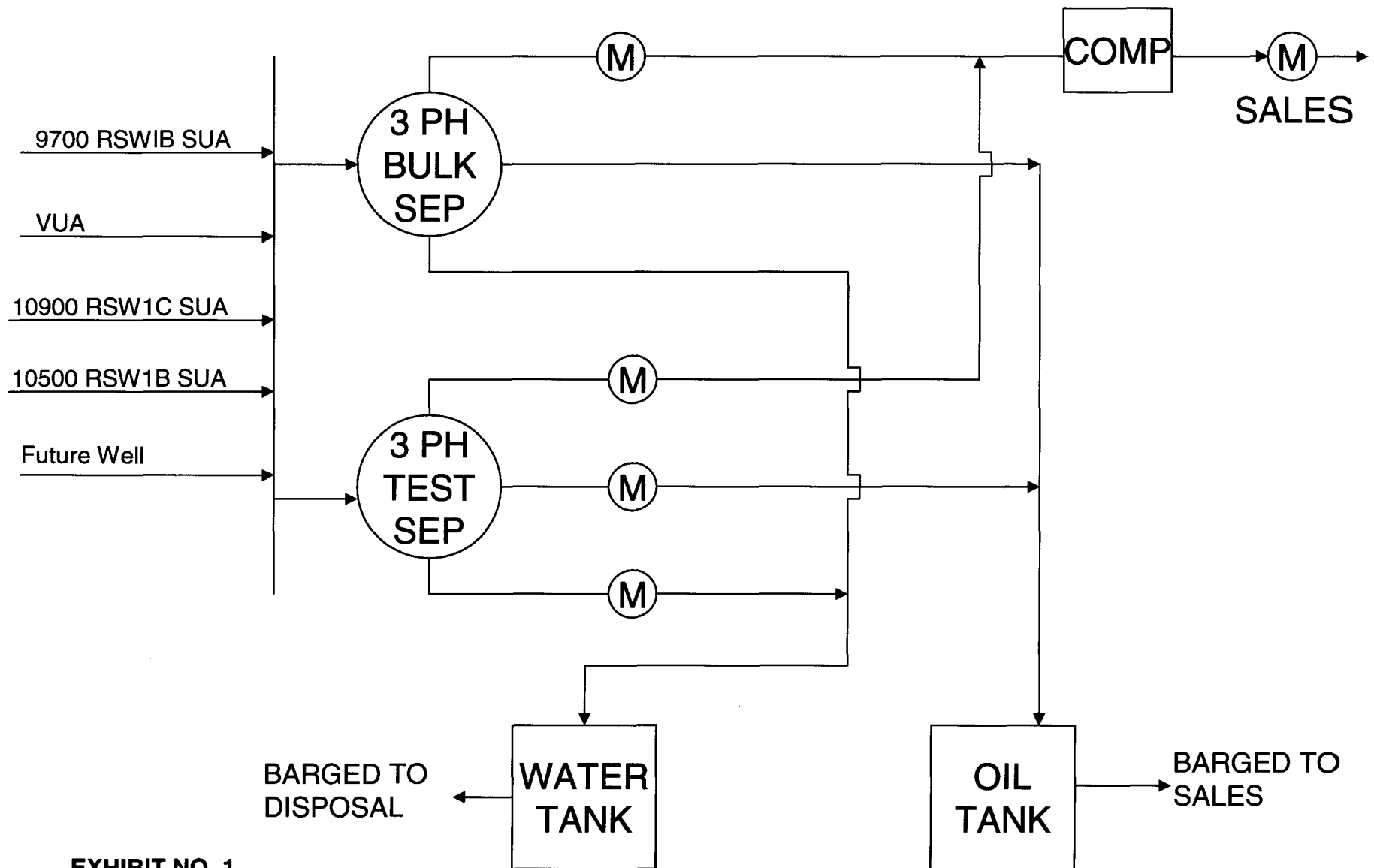


EXHIBIT NO. 1
DOCKET NO.
APRIL 15, 2007

COMMINGLING FACILITY NO. 1
BATEMAN LAKE FIELD

EXHIBIT "C"

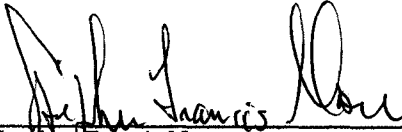
PROPERTIES TO BE APPROVED AT **COMMINGLING FACILITY NO. 1 (91159)** **BATEMAN LAKE FIELD**

<u>PROPERTIES</u>	<u>LUW CODE</u>
VUA	302066
10900 A RA SUA	519450
WAX BAYOU CO INC A	302065
U A-1 RA VUA	530485
10400 RSW1B SUK	513010
10400 RSW1B SUL	513011
BAL 10700 RSW1B SU	602172
BAL 9700 RSW1B SU	602171
BAL 9900 RSW1B SU	603815
BAL 10900 RSW1B SU	605413
10900 RSW1C SUA	605607
SUN-STATE RSW1B SUA	605931
A-1 RSW1B SUA	606275
10500 RSW1B SUA	607196
9200 RSW1B SUA	607765
2300 STR RSW1B SUA	607768
BAL SU	700700
9700 RSW1B SUA	610808
SL 1337	302067
SL 1337	303852
10700 RSW1C SUA	605299
VUA	302068
10400 RSW1B SUM	514556
9700 RSW2B SUA	610126
BAL X RA SU	041873

Exhibit "D"

VTEX ENERGY, INC.
COMMINGLING FACILITY NO. 1
BATEMAN LAKE FIELD
AFFIDAVIT REGARDING ACCURACY OF
WELL TEST MEASUREMENTS IN CONNECTION WITH
COMMINGLING OF HYDROCARBONS FROM THE
PROPERTIES LISTED ON EXHIBIT "C" ATTACHED
WITH PRODUCTION PREVIOUSLY AUTHORIZED FOR COMMINGLING AT
THEIR FACILITY PURSUANT TO OFFICE OF CONSERVATION ORDER
NO. 29-D-70, EFFECTIVE OCTOBER 23, 1992

In the opinion of the applicant, the commingling of hydrocarbons and the use of well tests for allocation of hydrocarbon production, as provided under this application to the Department of Conservation for the State of Louisiana, will provide reasonably accurate measurement, will not create any inequities, and will assure each owner of any interest an opportunity to recover his just and equitable share. All liquid and gas meters employed in the installation covered by this application will be of a proven, commercially available type. Moreover, the suitable means for calibrating each meter are provided, such that the accuracy of each metering operation can be proven. Such testing will be done at least monthly and at other times as the Commissioner of Conservation or his agent shall deem proper.



Stephen Francis Noser
President
VTEX Energy, Inc.

Date: Mar. 7, 2007